



DATE: November 10, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: East Bay Community Energy: Provide East Bay Community Energy with a Ranking of Preferred Default Electricity Products

RECOMMENDATION

That Council adopts a resolution (Attachment II) identifying: 1) a ranking of preferred electricity options for the default product for Hayward customers; and 2) Renewable 100 as the electricity product for the City's municipal accounts.

SUMMARY

When East Bay Community Energy (EBCE) launched in 2018, Council chose Brilliant 100 (100% carbon free electricity) as the default product for Hayward. Brilliant 100, if retained as a product offering, may have an increase in rates effective February 1, 2021, which will place it above the rates charged by PG&E. In addition to Brilliant 100, the EBCE Board may offer additional product options, including a carbon free product that includes nuclear energy. Each option has unique considerations including greenhouse gas (GHG) emissions and rates. This report presents options for a new default product and the impacts of each for Council to consider. It also includes summaries of recent actions taken by the EBCE Board of Directors as well as those taken by other member jurisdictions.

Review by Council Sustainability Committee – The Council Sustainability Committee (CSC) most recently considered Hayward's electricity options on October 15, 2020. The CSC unanimously agreed that the first choice should be Brilliant 100 if EBCE would subsidize it. After much discussion, it was agreed that as a second choice, a 100% carbon free product with nuclear energy may be acceptable if it is for a limited term (no more than two years) and if it is supported by the EBCE Board. The CSC unanimously supported Hayward's municipal accounts being switched to Renewable 100.

BACKGROUND

EBCE formed in 2016 as a joint powers authority to provide cleaner, greener energy at lower rates to Alameda County customers. EBCE started providing electricity to commercial and municipal accounts in June 2018 and to residential customers in November 2018. EBCE was

established with Alameda County and all cities in Alameda County with the exception of Newark, Pleasanton, and Alameda. The cities of Newark, Pleasanton, and Tracy joined EBCE earlier this year and will begin receiving service in the spring of 2021. Information about EBCE is available on their website¹. Staff has provided many reports about EBCE to the Council Sustainability Committee (CSC) and Council, all of which are available on the City's website².

When EBCE launched in 2018, three electricity products were offered:

- **Bright Choice** – The default for most communities. Cleaner electricity (38% renewable) and 1.5% lower rates than PG&E.
- **Brilliant 100** – 100% carbon free electricity (40% renewable and 60% large hydro-electric) at rates equal to PG&E.
- **Renewable 100** – 100% renewable electricity for one penny per kWh more than PG&E rates.

On March 6, 2018, Council voted to designate Brilliant 100 as the default product for nonresidential customers in Hayward. Council also chose to select Brilliant 100 for all municipal facilities. Non-residential accounts and municipal accounts began receiving EBCE service in June 2018. On May 22, 2018, Council adopted a resolution designating Brilliant 100 as the default electricity product for most of the City's residential customers. Residential accounts began receiving EBCE service in November 2018. Council chose Brilliant 100 as the default because it would help Hayward meet its GHG emissions reduction goals and because Hayward customers would experience no change in the cost of their electricity.

There are approximately 48,000 residential accounts in Hayward, including approximately 14,000 California Alternate Rates for Energy (CARE) customers and 500 Family Electric Rate Assistance (FERA) customers. The CARE and FERA programs offer discounts to income-qualified customers. Also, approximately 4% of customers in the EBCE territory are Medical Baseline customers. They pay special rates due to equipment or heating/cooling needs related to medical conditions. All EBCE customers who were enrolled in CARE, FERA, or Medical Baseline, which constitute approximately 25% of all residential customers have remained enrolled in these discount programs after the switch to EBCE and they have been enrolled in Bright Choice.

On June 16, 2020³, Council introduced and on June 23, 2020⁴, adopted an ordinance amending Hayward's Climate Action Plan and General Plan to include the following goals:

- reduce emissions by 20% below 2005 levels by 2020
- reduce emissions by 30% below 2005 levels by 2025
- reduce emissions by 55% below 2005 levels by 2030

¹ <https://ebce.org/>

² <https://www.hayward-ca.gov/your-government/departments/utilities-environmental-services/east-bay-community-energy>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4568609&GUID=46FF5863-9294-4217-9119-9631D7A2BB6F&Options=&Search=>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4576651&GUID=4E2F5527-D216-4472-BB79-5D9A37A41AE8&Options=&Search=>

- work with the community to develop a plan that may result in the reduction of community-based GHG emissions to achieve carbon neutrality by 2045.

On July 13, 2020⁵, the CSC received a report outlining the financial challenges experienced by EBCE and the reasons why Brilliant 100 may be discontinued. The report presented the following options for Hayward’s default product:

1. Change Hayward’s default to Bright Choice effective January 1, 2021.
2. Keep Hayward’s default as Brilliant 100 through the end of 2021 and then choose either Bright Choice or Renewable 100 effective January 1, 2022.
3. Change default to Renewable 100 effective January 1, 2021.

The CSC made the following comments:

- Raising rates now would be unpopular and keeping Brilliant 100 or switching to Renewable 100 would both result in higher rates.
- Hayward should try to avoid backsliding on the reductions made in Hayward’s GHG emissions.
- Hayward cannot meet its GHG reduction goals without carbon free electricity.
- One option may be to ask EBCE to keep Brilliant 100 & add nuclear to supplement or replace the large hydroelectric power in the mix.
 - If nuclear is added to Brilliant 100, then it is likely the rates could remain unchanged.
 - Nuclear could be added if EBCE accepts PG&E’s excess nuclear energy.
 - Nuclear could only be included until Diablo Canyon is decommissioned in 2025.
- Municipal Accounts should be switched from Brilliant 100 to Renewable 100
 - This action is called for in the City’s Strategic Roadmap.
 - The annual increase in cost would be approximately \$70,000 per year.
 - The next phase of solar at WPCF will reduce the City’s overall electricity costs.

On July 14, 2020⁶, Council discussed Hayward’s options for a new default product and made the following comments:

- Default product should not increase Hayward’s emissions.
- A rate increase for customers is not desirable.

⁵ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4590667&GUID=656BE636-73B2-4D83-AD63-79E8C5B8B5C2&Options=&Search=>

⁶ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4590672&GUID=90E5FCBF-BB73-46C6-9492-7C526C953EBB&Options=&Search=>

- Nuclear energy may be necessary to maintain a carbon free product and not increase rates.
- Customers could be encouraged to opt up to Renewable 100.
- Council members expressed concerns with including nuclear, but noted that Hayward customers received nuclear energy prior to the switch to EBCE as part of the PG&E energy portfolio
- Renewable 100 would be the most environmentally friendly option and customers might be willing to pay the premium.

Soon after the July 14 Council meeting, EBCE staff indicated they could explore the possibility of including nuclear among the product options, but only if formally requested to do so. On August 26, 2020, staff sent a letter (see Attachment III) to EBCE requesting that the Board offer a product that includes nuclear if it would mean that there could be a 100% carbon free product at rate parity with PG&E. The City of Pleasanton submitted a similar letter to EBCE.

On September 14, 2020⁷, the CSC received a report on Hayward's 2018 GHG Inventory showing that overall emissions had been reduced by 21.6% since 2005. The report acknowledged that Hayward's goal of a 20% reduction by 2020 had been reached two years early, due in part to Hayward customers receiving Brilliant 100 electricity.

On September 16, 2020, the EBCE Board discussed options for Brilliant 100 for 2021. The options presented to the Board were:

1. Close the Brilliant 100 product.
2. Offer Brilliant 100 at a cost premium above PG&E rates.
3. Offer a new product that is at cost parity with PG&E and 100% carbon free including nuclear energy to customers in a jurisdiction where Board/Council have voted to accept the nuclear allocation.

Regarding option two, EBCE staff noted that the premium for Brilliant 100 may be between 2% and 5%, depending on PG&E's generation rate in 2021 and the size of the large hydro allocation that EBCE might accept from PG&E.

Regarding option three, EBCE staff indicated that on August 27, 2020, PG&E submitted an Advice Letter to the California Public Utilities Commission (CPUC) requesting permission to offer allocations of nuclear and large hydro energy in 2021, 2022, and 2023. PG&E requested the CPUC decide by October 31, 2020. PG&E's request did not include the potential size of the nuclear and large hydro energy allocations.

Six people spoke in opposition to option three citing concerns about EBCE's reputation as a clean power provider and that they believed nuclear is not clean. Board members

⁷ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4640826&GUID=10F65424-CD3A-4E36-BE9E-D66D415B8314&Options=&Search=>

representing the cities of Albany, Pleasanton, Livermore, and Newark expressed support for nuclear being an option from which cities may select a default product.

On September 25, 2020, EBCE's Executive Committee⁸ discussed Brilliant 100 and the EBCE staff presentation focused on three questions that came up during the September 16 Board meeting. The questions and EBCE staff's responses are as follows:

1. How would a third product be presented in customer mailers such as the Joint Rate Mailer and the Power Content Label?

Staff's Response: The Joint Rate Mailer⁹ and the Power Content Label¹⁰, staff noted that the tables indicating the power mix for each product would be customized for the cities that have selected the third product.

2. What would be the cost for the Agency to pay the premium for a Brilliant 100 product that is 100% carbon-free at cost parity to PG&E and does not include nuclear energy?

Staff's Response: Regarding the cost to EBCE if it were to absorb the premium for a Brilliant 100 product that is 100% carbon-free at cost parity to PG&E and does not include nuclear energy, staff indicated the cost in 2021 would be approximately \$3 million. Staff also noted that the PCIA¹¹ is likely to increase in 2021, which would increase this figure.

3. If a third product is approved, what happens if more nuclear is allocated to EBCE than is needed to fulfill the load for this third product?

Staff's Response: Staff estimates the 2021 nuclear allocation available from PGE& could be 1,900 gigawatt hours (GWh). Given that the current load for Brilliant 100 is approximately 903 GWh and 36% must come from renewables, the carbon free content that could be nuclear would be approximately 578 GWh. This means that EBCE would have an excess of approximately 1,300 GWh to sell to a third party.

Six people spoke during public comments and all opposed the idea of EBCE accepting nuclear into the power mix. Some of the speakers noted that EBCE had \$20 million more

⁸ The Executive Committee of the EBCE Board meets monthly and its members are Alameda County Supervisor Scott Haggerty, Berkeley Mayor Jesse Arreguin, Emeryville Council Member Dianne Martinez, Oakland Council Member Dan Kalb, and the Chair of the Committee is Hayward Council Member Al Mendall.

⁹ EBCE's 2019 Join Rate Mailer is available at <https://ebce.org/uploads/jrm-a-1x-2020.pdf>

¹⁰ EBCE's Power Content Label is available at <https://ebce.org/our-power-mix/>

¹¹ The PCIA or Power Charge Indifference Adjustment is sometimes referred to as an "exit fee". It is intended to ensure that customers who switch to EBCE pay for energy that was contracted by PG&E to serve them prior to their switch. Because EBCE maintains rates competitive with PG&E, when the PCIA increases, it reduces EBCE's margin. EBCE and other community choice energy programs throughout California are working with the California Public Utilities Commission to reduce the PCIA.

revenue than anticipated in the past year and that EBCE could use this surplus to cover the \$3 million needed to keep Brilliant 100 nuclear free.

There was some support among Board members to bring to the full Board the option of subsidizing Brilliant 100 so that it could be maintained at rate parity with PG&E and not include nuclear energy. EBCE staff indicated they would present this option to the Board in October, but noted that this is a decision that may need to be made every year and that depending on Brilliant 100 to meet GHG reduction goals is not sustainable.

Council Sustainability Committee – On October 15, 2020, staff presented the CSC with the options below that may be available for Hayward’s default product. The options from which cities may choose a default product will not be finalized by the EBCE Board until November 18, 2020, so staff asked the CSC to rank their preferences.

- A. 100% carbon free product with nuclear
- B. Renewable 100
- C. Brilliant 100 with rate increase
- D. Brilliant 100 with subsidy
- E. Bright Choice

Council Members Márquez and Zermeño initially ranked their preferences for the default product for the Hayward community as follows from most preferred to least preferred:

- 1. D – Brilliant 100 with subsidy
- 2. E – Bright Choice
- 3. C – Brilliant 100 with rate increase
- 4. B – Renewable 100
- 5. A – 100% carbon free with nuclear energy

Council Member Mendall expressed his opposition to choosing Bright Choice as the default energy product noting this would undermine the City’s ongoing GHG reduction efforts as Bright Choice would have more GHG emissions than PG&E. He ranked the product options as follows:

- 1. D – Brilliant 100 with subsidy
- 2. A – 100% carbon free with nuclear energy
- 3. C – Brilliant 100 with rate increase
- 4. B – Renewable 100
- 5. E – Bright Choice (not a viable option)

Council Member Mendall stated that he was willing to accept a product with nuclear for a few years in order to achieve long-term sustainable solutions. In support of that position, EBCE’s Public Engagement Manager, Alex DiGiorgio, commented that accepting the nuclear allocation would not change the amount of nuclear energy generated and that EBCE customers are already paying for the nuclear energy through the PCIA. Council Member Márquez commented that she would be more open to accepting a product with nuclear if it were for a limited time – possibly with a cap of two years.

The CSC unanimously supported Hayward's municipal accounts being switched to Renewable 100.

Other Cities – On October 5, 2020, the City of Albany City Council held a work session to consider their Climate Action Committee's recommended ranking. The Council did not vote, but generally agreed with the Committee's recommended ranking:

1. Keep all accounts on Brilliant 100 if it stays 100% carbon-free and at price parity to PG&E.
2. Place all accounts on carbon free product with nuclear (at price parity to PG&E) if it is available.
3. Place the following accounts on the following default products:
 - Residential: Renewable 100
 - Commercial/Industrial: Bright Choice
 - Municipal: Renewable 100
 - CARE/FERA/Medical Baseline: Bright Choice

On October 20, 2020, the City of Dublin City Council discussed options for a new default product. Dublin has had Bright Choice as the default, but on September 15, 2020, adopted a new Climate Action Plan identifying carbon-free electricity as the one action with the largest potential for GHG reduction and that it is critical to meeting their 2030 GHG reduction goal. The Council did not vote, but there was support for have a carbon free product with nuclear. The Dublin Council is tentatively scheduled to decide on November 17.

Also, on October 20, 2020, the City of Emeryville City Council discussed the issue and there was some support for subsidizing Brilliant 100 and accepting the nuclear allocation so that customers could choose.

The Pleasanton City Council has indicated support for an option that includes nuclear. They are scheduled to make a decision on December 1.

Letters from both Albany and Dublin to EBCE are included as Attachment V.

DISCUSSION

Hayward's choice of a default electricity product could significantly affect community-wide GHG emissions as well as the rates paid by Hayward customers. As noted by the CSC at their October 15 meeting, this is a complex issue and the choices presented thus far do not make for an easy decision. In the discussion below, staff provides more context regarding the options currently available as well as a recommended course of action.

The Diablo Canyon nuclear power plant is scheduled to close by 2025. In 2019, PG&E's power mix included 44% nuclear. Because PG&E has lost a significant number of customers to community choice energy programs throughout the state and they want to maintain or increase the share of renewable energy in their products, they currently have more power

than needed to serve current customers. According to EBCE's January 22, 2020, staff report, EBCE's estimated share of PG&E's stranded cost for Diablo Canyon is \$83 million for 2019 and \$90 million for 2020, which is paid for by EBCE customers through the PCIA.

At the April 22, 2020, Board meeting 86 members of the public spoke in opposition to accepting the nuclear allocation from PG&E. The EBCE Board voted ten to five to only accept the large hydro portion.

In 1987, Council adopted Ordinance No.87-024, which established Hayward as a "nuclear-free zone" and restricts the City's ability to enter into agreements with businesses or legal entities engaged in the manufacturing, production, or use of nuclear *weapons*. It should be noted that until the switch to EBCE service in 2018, Hayward customers received electricity sourced by PG&E, which has included 20 to 40% nuclear energy. While most Hayward customers no longer purchase electricity generated by PG&E, they still pay for PG&E's generation assets and power contracts through the PCIA.

Following are some considerations for each of the five options currently identified:

A. Brilliant 100 with Subsidy

- a. **Rates:** Rates would continue to be equal to PG&E rates.
- b. **Energy Mix:** In 2021, Brilliant 100 would have 35.8% renewables (the RPS minimum) and the remainder would likely be large hydro.
- c. **GHG Emissions:** Selection of this product would prevent backsliding on GHG emission reductions. If offered, the product will continue to be 100% carbon free.
- a. **Certainty:** The Board's vote on this option is scheduled for November 18, 2020.
- d. **Other:** If the Board votes to continue to offer Brilliant 100 with no nuclear and maintain the rates at parity with PG&E, it is possible they will not allow any new customers to enroll in the product. If this is the case, then Council would need to select a new default product for new customers in Hayward. The subsidy could range from \$3 to \$6 million in 2021, depending on the PCIA increase in 2021. The Board may need to vote again in 2021 to determine if the subsidy would continue for 2022.

B. 100% carbon free product with nuclear

- b. **Rates:** Rates would be equal to PG&E rates.
- c. **Energy Mix:** This product would consist of 35.8% renewables, the minimum required by the state's Renewable Portfolio Standard (RPS), and the remainder (64.2%) would be nuclear.
- d. **GHG Emissions:** Selection of this product would prevent backsliding on the reductions in GHG emission achieved to date.
- e. **Certainty:** This product will only be offered if approved by the Board. The Board's vote on this option is scheduled for November 18, 2020.
- f. **Other:** Diablo Canyon is scheduled to close in 2025, so nuclear energy may be available to EBCE for 2021 through 2024. PG&E's current request is to

make nuclear energy available through 2023. In 2018, before Hayward customers began receiving EBCE service, their PG&E power included 34% nuclear. In 2019, PG&E's mix included 44% nuclear.

C. Brilliant 100 with Rate Increase

- a. **Rates:** Rates would be 2 to 5% more than PG&E rates. The exact percentage may be decided by the Board on October 21, 2020.
- b. **Energy Mix:** In 2019, Brilliant 100 was 75% renewable and 25% large hydro. As of July 1, 2020, renewables were reduced to match the RPS minimum of 33%. In 2021, the RPS will increase to 35.8%.
- c. **GHG Emissions:** Selection of this product would prevent backsliding on GHG emission reductions. If offered, the product will continue to be 100% carbon free.
- d. **Certainty:** The Board's vote on this option is scheduled for November 18, 2020. The Board could decide to discontinue Brilliant 100, which could take effect as early as January 31, 2020. EBCE staff has indicated that one option may be for EBCE to offer only two products (Bright Choice and Renewable 100).

D. Renewable 100

- a. **Rates:** Rates would be 8 to 9% more than PG&E rates.
- b. **Energy Mix:** Renewable 100 is sourced from 50% solar and 50% wind from California.
- c. **GHG Emissions:** Selection of this product would prevent backsliding on GHG emission reductions.
- d. **Certainty:** Renewable 100 will continue to be offered for the foreseeable future.
- e. **Other:** This is the default product for the City of Piedmont. If Renewable 100 is chosen as the default for Hayward, CARE, FERA or Medical Baseline could remain with Bright Choice. Approximately 25% of Hayward's residential customers receive CARE, FERA or Medical Baseline discounts. There are likely many more customers that are eligible for CARE/FERA/Medical Baseline, but they may be unaware of the programs and have not subscribed. There are also many residential customers that are just above the income thresholds for CARE and FERA so they do not qualify for the discount, but they may still experience financial challenges. Even for residential and commercial customers who have managed to maintain their income during the pandemic, there may be some who will argue that the general current conditions make this the wrong time to increase rates. Customers would have the opportunity to opt down to Bright Choice, but it is possible that some customers would express their displeasure by opting out of EBCE entirely.

- E. Bright Choice
 - a. **Rates:** Rates would be 1% less than PG&E rates.
 - b. **Energy Mix:** In 2019, Bright Choice was 85% carbon free (60% renewable, 25% large hydro, 13% unspecified, and 1% nuclear¹²). As of July 1, 2020, Brilliant 100 is now a minimum of 50.3% carbon free power.
 - c. **GHG Emissions:** Selection of this product would result in an increase in Hayward's GHG emissions.
 - d. **Certainty:** Bright Choice will continue to be offered for the foreseeable future.
 - e. **Other:** This is the default product for most EBCE jurisdictions.

On October 21, 2020, the EBCE Board voted to maintain Brilliant 100 through January 2021 to allow more time for the Board and member jurisdictions to decide on potential alternatives. Any new products or changes to existing products will take effect February 1, 2021.

Recommendation – Staff recommends Council adopt the attached resolution with the ranking of product choices as listed below. If Council's preference is to defer adoption of a resolution until after the Board's vote on November 18, staff would bring this item back for a vote on December 1, 2020. If deferred, staff recommends Council indicate a preliminary ranking of product choices at today's meeting to help inform the Board's action on November 18.

- A. Provide the EBCE Board with Council's ranking of product choices for the default product for the Hayward community as follows:
 - 1. Brilliant 100 with subsidy.
 - 2. 100% carbon free product with nuclear to expire at the end of 2022.
 - 3. Brilliant 100 with rate increase
 - 4. Bright Choice
 - 5. Renewable 100
- B. Switch Hayward's municipal accounts to Renewable 100.

ECONOMIC IMPACT

The following cost comparisons were provided by EBCE in the September 16 Board report and reflect total EBCE charges for average customers in three different customer classes.

¹² The 1% nuclear identified in the 2019 *Bright Choice* energy supply is due to EBCE's contracts with Asset Controlling Suppliers (ACS), the vast majority of which involve large hydroelectric resources from the Pacific Northwest. Generally, ACS resources are not traceable to a specific individual facility as they manage "fleets" of hydroelectric dams. Since there are also nuclear power plants in the area, a very small percentage (i.e., ~1%) of nuclear energy was required to be included by the most recent reporting guidelines. EBCE has not contracted for any unit-specific nuclear resources.

Table 1. Comparison of EBCE Product Costs

Customer Class	Bright Choice (1% discount)	PG&E	100% Carbon-Free with Nuclear	Brilliant 100 (2% premium)	Brilliant 100 (5% premium)	Renewable 100
Residential	\$44.21	\$44.66	\$44.66	\$45.55	\$46.89	\$48.46
Small Commercial	\$255.85	\$258.43	\$258.43	\$263.60	\$271.35	\$281.13
Large Commercial	\$35,411.02	\$35,768.71	\$35,768.71	\$36,484.08	\$37,557.15	\$38,715.81

FISCAL IMPACT

In addition to Brilliant 100 being the default product for the community, the City has approximately 450 municipal accounts enrolled in Brilliant 100 (The City’s nine accounts that are part of the RES-BCT¹³ arrangement are not enrolled in EBCE). The City spends approximately \$2.2 million annually on electricity. For the City’s accounts that are enrolled in EBCE (Brilliant 100), the City spends approximately \$558,000 per year in generation charges. If the City keeps its accounts enrolled in Brilliant 100 and rates are increased by 3%, annual costs will increase by \$17,000 to approximately \$575,000. If the City’s accounts are changed to Renewable 100, then annual costs would increase by approximately \$71,000 to \$629,000. These estimates are based on 2019 expenditures and do not account for annual increases that result from increases in PG&E and EBCE rates.

Approximate Annual Costs	
Current spending on City accounts enrolled in Brilliant 100	\$558,000
If City keeps its accounts enrolled in Brilliant 100	\$575,000
If City’s accounts are changed to Renewable 100	\$629,000

Staff recommends switching all municipal accounts to Renewable 100. The Phase 2A solar project (600kW) completed in February this year is projected to save the City approximately \$150,000 in energy costs, which will more than offset the \$71,000 premium for Renewable 100. In addition, the solar at the new Library is expected to save approximately \$30,000 in energy costs. As noted above, the purchase of 100% renewable energy is called for in the City’s Strategic Roadmap, which was approved by Council in January this year.

STRATEGIC ROADMAP

This agenda item relates to the Strategic Priority of Combat Climate Change. Specifically, this agenda item relates to the implementation of the following project:

¹³ RES-BCT is the renewable energy self-generation bill credit transfer program. It is a PG&E program that allows excess bill credits from renewable energy generation at the Water Pollution Control Facility to be applied to other City facilities.

- Project 2: Work with EBCE to transition citywide electricity use to 100% carbon free (beginning in FY21)
- Project 3: Transition electricity use in city operations to 100% renewable energy (beginning in FY22)
- Project 4: Adopt and implement 2030 GHG Goal and Roadmap (beginning in FY21)

SUSTAINABILITY FEATURES

Community choice energy was identified in the City’s Climate Action Plan as the program with the greatest potential to reduce community-wide GHG emissions. As noted above, Hayward’s participation in EBCE has contributed to the 2020 GHG reduction goal being met two years early. EBCE is currently developing plans to provide cleaner electricity in the coming years. EBCE staff are preparing an economic analysis of alternative pathways, including one for a 100% GHG free portfolio for the Board to consider, which could result in the Board adopting a 2030 Clean Energy Goal.

PUBLIC CONTACT

The EBCE Board discussed the nuclear allocation at several meetings and on April 22, 2020, the Board declined to accept an allocation of nuclear energy attributes from PG&E. There was significant public comment on the nuclear allocation with most speakers in opposition to include nuclear in EBCE’s power mix.

The EBCE Board discussed rates during their meetings on May 20, 2020 and June 17, 2020. EBCE facilitated a Public Comment Period from Friday, May 22, 2020 through Sunday, June 7, 2020; hosted two online webinars on Tuesday, June 2 and Wednesday, June 3; and hosted an audio-only meeting on Friday, June 5. There were many public comments on EBCE’s budget during the June 17 Board meeting and several people made comments regarding Brilliant 100. All the speakers, with some representing the East Bay Clean Power Alliance, were in favor of phasing out Brilliant 100. Comments included:

- the use of large hydro-electric power perpetuates environmental racism
- if people want electricity with low GHGs, they should go with Renewable 100
- large hydro is a false solution while renewable energy creates local jobs

During the September 15, 2020, Council meeting, three people spoke against the idea of including nuclear in the energy mix for Hayward and/or EBCE. Agreements included:

- Accepting nuclear would tarnish EBCE’s reputation as a clean power provider.
- Accepting nuclear energy would be a violation of environmental justice principles because waste is often dumped in indigenous communities.
- EBCE should not bail out PG&E by taking their nuclear energy.
- Most CCAs not accepting nuclear.

- The current problem is the PCIA. Accepting nuclear takes EBCE out of the fight regarding the PCIA¹⁴.

During the September 16, 2020, EBCE Board meeting six people spoke against the idea of accepting nuclear.

On October 15, 2020, the East Bay Clean Power Alliance submitted a letter to the CSC (see Attachment IV) and a representative from the nonprofit spoke during the meeting asking the City to explore options that would keep the City's power nuclear-free.

Following a vote by the EBCE Board on December 16, 2020, if there is a change in Hayward's default product, staff intends to conduct significant community outreach prior to the changes taking effect on February 1, 2021.

NEXT STEPS

On November 18, 2020, the EBCE Board will vote on:

1. Changes to Brilliant 100 service option (i.e., increase rate 2-5%; or discontinue option); or maintain status quo (i.e., subsidize); and
2. Accepting a nuclear allocation to create a new, carbon free option at price parity with PG&E for customers within self-selecting cities.

December 1, 2020 will be the last day for cities to inform EBCE of their default selections. On December 16, 2020, the EBCE Board will vote on default service transitions (if any) for Albany, Hayward, and Piedmont; and default enrollment options for Newark, Pleasanton, and Tracy. Those options would take effect on February 1, 2021. If there is a new default product for Hayward, staff would work with EBCE to communicate those changes to the community during the month of January 2021.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

¹⁴ EBCE has indicated the nuclear component represents just one part of the PCIA and that if the nuclear allocation is accepted, EBCE can still contest the remaining portions of the PCIA.